

7 Pricing Proposal

This section describes the format and content of Bidder's pricing responses. This portion of the proposal must be bound and sealed separately from the remainder of the proposal. Cost data must not be shown in any other part of the Proposal. Non-compliance with these requirements will result in disqualification. Unless noted otherwise, prices quoted shall apply for the duration of the term of contract. Quoted prices shall be irrevocable for 180 days following the scheduled date for Contract Award specified in Section 1.5, Key Action Dates.

Bidders should be conscious of the effect of cost neutrality on the amount anticipated to be available for funding this project. EBT operations for food stamps in California must be at least cost neutral in relation to the paper-based issuance systems. In other words, the cost for all EBT services for food stamps cannot exceed the costs of the present paper-based benefit delivery systems that will be replaced by EBT. The State reserves the right to reject any and all proposals that are not within this parameter.

California's federal cost neutrality number is not yet available. However, the State has determined a State cost range for the Food Stamp program that Bidders may consider -- \$3.32 - \$4.96. Bidders must take into consideration that all cost elements will fall within this State cost range: amortized DDI, cost per case month, state and county one-time and ongoing costs.

7.1 Pricing Response Schedules

Bidders shall present their proposed project prices in the formats provided in this section. If an item has no cost, enter the numeral "0" rather than leaving a blank. If any character other than a numeral is used (e.g., a dash) or an item is left blank, the State will assume the cost of the item to be zero. The Schedules are to be used in the format presented (i.e., do not make any additions, deletions, or changes to the Schedules). Responses that do not provide price proposals in the required format will be considered non-responsive (See Section 2.3.8.4, Errors in the Final Proposal) and will not receive further consideration.

7.1.1 Pricing for Design, Development, and Implementation

Design, Development, and Implementation costs will be paid separately from the core services bid for the operation of the EBT system. Bidders must provide pricing for each phase. Bidders must provide cost information that supports the cost of each phase. The supporting cost information must include an explanation of the methodology and assumptions used to arrive at the cost. Bidders must clearly explain the relationship between the supporting cost information and the cost. Bidders may submit the supporting cost information in any format. The supporting cost information will be considered part of the price proposal for contractual purposes. The price must include, but is not necessarily limited to, the costs for each of the following tasks:

Design Phase: Begins with the contract award and ends when the system is ready for coding and testing. The associated tasks include the following:

- Finalizing Project Work Plan
- System design, documentation, and design review
- Joint Application Development
- Drafting Operations and User's Manuals
- Drafting training materials
- Drafting System Test Plan and procedures
- Finalizing the Statewide Implementation Plan